

**\*\* Please update highlighted items\*\***

***Digital Television Transition and Public Safety Fund:***

The Digital Television Transition and Public Safety Fund (Fund) was created by the Digital Television Transition and Public Safety Act of 2005. This NTIA fund receives proceeds from the auction of licenses for recovered analog spectrum from discontinued analog television signals, and provides funding for several programs from these receipts. Funding for these programs, prior to the availability of auction receipts, is also provided by Treasury borrowings, as discussed in Note 1, *Summary of Significant Accounting Policies*.

The Federal Communications Commission (FCC) completed the auction of the licenses for recovered analog spectrum in March 2008. The auction resulted in proceeds of \$18.96 billion, which were deposited to the Fund by the FCC on June 30, 2008. The auction proceeds of \$18.96 billion are included as a budgetary resource on the SBR (Budget Authority, Appropriations) for the period ended June 30, 2008. These auction proceeds have not been apportioned by OMB at June 30, 2008; accordingly, the budgetary status of the \$18.96 billion of auction proceeds is included on the SBR for the period ended June 30, 2008 on the line Unobligated Balance Not Available. For the proprietary financial statements, an auction proceed is considered a liability to the FCC until the FCC grants the license. When the license is granted, a budgetary financing source (Transfers In of Spectrum Auction Proceeds from FCC) is recognized on the SCNP. A liability to the FCC of \$17.18 billion, representing the auction proceeds for which licenses have not yet been granted by the FCC as of March 31, 2009, is reported on the Consolidated Balance Sheet as of March 31, 2009. A financing source of \$1.78 billion, representing the auction proceeds for which licenses have been granted by the FCC for the period ended March 31, 2009, has been recorded on the SCNP for the period ended March 31, 2009.

As of March 31, 2009, payments for the programs under this Fund may not exceed \$2.82 billion, while Treasury borrowings under this Fund may not exceed \$2.69 billion.

On September 30, 2009, the Fund shall transfer \$7.36 billion to the general fund of the Treasury. The Department understands that Congress' intent is for the Fund to further transfer funds beyond the needs of its programs to the general fund of the Treasury.

Below is a brief summary of the three largest programs under this Fund, and significant financial activity recorded for the period ended March 31, 2009 and FY 2007 SBR for each program:

Public Safety Interoperable Communications (PSIC): This is a grant program to assist public safety agencies in the acquisition of, deployment of, or training for the use of interoperable communications systems that can utilize reallocated public safety spectrum for radio communication. The Fund may make payments not to exceed \$1.00 billion through FY 2010. The Department has in place a Memorandum of Understanding with the Federal Emergency Management Agency (FEMA), in which FEMA administers the PSIC grant program. NTIA provides FEMA with funds for the grants under the program,

and for the charges for FEMA's management and administrative services. NTIA records budgetary obligations with FEMA, while FEMA records the grants activity under the program. Budgetary obligations for the period ended **March 31, 2009** and FY 2008 to FEMA under the PSIC program amounted to **\$1.2 million** and **\$1.2 million**, respectively, while Treasury borrowings during the period ended **March 31, 2009** and FY 2008 amounted to **\$100.0 million** and **\$100.0 million**, respectively. As of **September 30, 2008** FEMA executed all of the grant awards, totaling **\$968.4 million**.

Digital-to-Analog Converter Box Program: This program is to provide households in the U.S. with forty dollar coupons (two per-household maximum) that can be applied toward the purchase of digital-to-analog converter boxes. The Fund may make payments not to exceed **\$1.50 billion** through FY 2009. Budgetary obligations for the period ended **March 31, 2009** and FY 2008 for this program amounted to **\$635.3 million** and **\$635.3 million**, respectively, while Treasury borrowings during the period ended **March 31, 2009** and FY 2008 amounted to **\$400.0 million** and **\$400.0 million**, respectively.

National Alert and Tsunami Warning Program: This program is to implement a unified national alert system capable of alerting the public, on a national, regional, or local basis to emergency situations by using a variety of communications technologies. The Fund may make payments not to exceed **\$156.0 million** during FY 2007 through FY 2012. The Department shall use **\$50.0 million** of such amounts to implement a tsunami warning and coastal vulnerability program. Budgetary obligations for the period ended **March 31, 2009** and FY 2008 for this program amounted to **\$14.7 million** and **\$14.7 million**, respectively, while Treasury borrowings during the period ending **March 31, 2009** and FY 2008 amounted to **\$0.0 million** and **\$0.0 million**, respectively.